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UNCLAS SECTION 01 OF 02 PRETORIA 005072

SIPDIS

STATE FOR AF/EPS AND AF/S/TCRAIG AND KGAITHER
DEPT FOR EB/TRA/AN/CDEMARS, LFAUX-GABLE
TRANSPORTATION FOR SMCERMOTT, KBHATIA, GRETCH
COMMERCE FOR 4510/ITA/IEP/ANESA/OA/JDIEMOND
TREASURY FOR GCHRISTOPULOS, LSTURM, AND AJEWELL
DEPT PASS USTR FOR PCOLEMAN, WJACKSON AND CHAMILTON

SENSITIVE

E.O. 12958: N/A

TAGS: [FAIR](#) [ECON](#) [ETRD](#) [SF](#)

SUBJECT: SAG OFFICIALS INTEREST IN OPEN SKIES

REFTEL: PRETORIA 4786

(U) Sensitive But Unclassified. Not for Internet Distribution.

1. (SBU) SUMMARY. Econ Minister Counselor and Econoff gauged interest in a potential Open Skies agreement between South Africa and the United States in separate meetings with Commissioner Seboeso Machobane from the South Africa Civil Aviation Authority (CAA); South African Airways Executive Manager for International Affairs Oosha Chirkoot and Manager for International Affairs Darren Hay; and Department of Transport Director for Aviation Regulation Godfrey Selepe. The parties said that Africa's immediate priority is to liberalize air transport within Africa. Selepe suggested that the United States and South Africa look at a Cargo Open Skies agreement and incrementally liberalize the passenger side by removing restrictions such as the existing limitation on domestic codeshare points. Selepe is tentatively planning a trip to the United States and Canada in July 2005 with officials from the Department of Environment and Tourism, SATourism, and interested airlines. He said he would welcome formal or informal engagement with a U.S. team prior to his trip, but said that a ministerial meeting between Radebe and Mineta before any such engagement might be most productive. Selepe also listed a number of stakeholders with an interest in a U.S.-South Africa Open Skies agreement. END SUMMARY

SOUTH AFRICAN AIRWAYS

2. (SBU) Econ M-C and Econoff met with South African Airways (SAA) Executive Manager for International Affairs Oosha Chirkoot and Manager for International Affairs Darren Hay on November 17. Chirkoot said that from SAA's perspective, South Africa's first priority is to liberalize air transport within Africa. She said that SAA would be interested in opening route schedules and increasing the number of allowable codeshare points between the United States and South Africa, however, SAA was not ready for full Open Skies. Chirkoot said that if South Africa were to enter into an Open Skies agreement with the United States, it would be compelled to consider Open Skies agreements with the U.K. and others. Chirkoot also cited concern for what an Open Skies agreement might do to South Africa's secondary carriers.

DEPARTMENT OF TRANSPORT

3. (SBU) On November 22, Econ M-C and Econoff were scheduled to meet with Department of Transport Director General Wrenelle Stander, but she was replaced at the last minute by Director of Aviation Regulations Godfrey Selepe. Selepe, who attended the Montreal meeting between Secretary Mineta and Minister Radebe, said that it's "not a matter of if, but how we go about liberalization." He said that South Africa is pursuing a "managed liberalization" approach to opening its skies. Selepe expressed disappointment that the U.S. negotiating team in 2000 had little flexibility to negotiate anything other than an Open Skies agreement. He suggested that the United States and South Africa look at a Cargo Open Skies agreement and incrementally liberalize the passenger side by removing restrictions such as the existing limitation on domestic codeshare points. Selepe expressed skepticism about arguments for expanded air services to support growth in tourism. He argued that airline passenger figures did not support the high growth figures cited by tourism officials. He acknowledged, however, that a more liberal agreement would provide airlines with greater operational control in the context of an expanding or contracting economy.

4. (SBU) Selepe is tentatively planning a trip to the

United States and Canada in July with officials from the Department of Environment and Tourism, SATourism, and interested airlines. He said he would welcome formal or informal engagement with a U.S. team prior to his trip, but said that a ministerial meeting between Radebe and Mineta before any such engagement might be most productive. (NOTE: Selepe referred to his negotiating team as "young and inexperienced.")

15. (SBU) According to Selepe, the following groups would have a stake in an Open Skies agreement between South Africa and the United States: Department of Environment and Tourism, Department of Foreign Affairs, Department of Trade & Industry, CAA, Airports Company South Africa (ACSA), SATourism, SAA and other interested airlines, and possibly the Department of Public Enterprises.

CIVIL AVIATION AUTHORITY

16. (SBU) In September, Minister Counselor for Economic Affairs and Econoff met with Commissioner Seboeso Machobane of South Africa's Civil Aviation Authority (CAA). Machobane said that bilateral agreements are mostly dealt with at the Department of Transport. He suggested that it might be more productive to approach higher rather than lower level officials to discuss an Open Skies agreement. Machobane, educated in the United States, appeared receptive to the concept of an Open Skies agreement with the United States, but noted that South Africa's immediate priority is to liberalize aviation regulations with its African neighbors as expressed in the Yamoussoukro Decision.

FRAZER